



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 5, 1998

Mr. Stephen E. Kowitt
Managing Director and
Assistant General Counsel
J.P. Morgan & Co. Incorporated
60 Wall Street
New York, NY 10260-0060

Dear Mr. Kowitt:

As requested in your letter of March 6, 1998, pursuant to section 211.5(d)(17)(ii) of Regulation K, the Board of Governors grants its consent to Morgan Guaranty International Finance Corporation, Newark, Delaware ("MGIFC"), to engage through J.P. Morgan Australia Limited, Sydney, Australia ("JPMAL"), in futures commission merchant activities on the New Zealand Futures and Options Exchange Limited.

In taking this action, the Board relied on all representations made by MGIFC in support of its application, including representations regarding JPMAL's total exposure to the Sydney Futures Exchange Clearing House Pty. Limited ("Clearing House").

The Federal Reserve Bank of New York should be notified promptly of any prospective substantial changes in the rules of the Clearing House that would materially increase the potential liability of JPMAL or that would involve the potential liability of any of JPMAL's parent companies to the Clearing House.

Very truly yours,

A handwritten signature in cursive script, reading "Jennifer J. Johnson", is written over a horizontal line.

Jennifer J. Johnson
Deputy Secretary of the Board

cc: John S. Cassidy, Assistant Vice President
Federal Reserve Bank of New York